



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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03-05-08
04:59 PM

Order Instituting Rulemaking into the Review
of the California High Cost Fund B Program.

R.06-06-028
(Filed June 29, 2006)

**RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES AND
DISABILITY RIGHTS ADVOCATES ON THE UTILITY REFORM
NETWORK'S MOTION FOR A PUBLIC INPUT PROCESS**

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March 5, 2008

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I. INTRODUCTION

In accordance with Rule 11.1(e) of the Commissions' Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") and Disability Rights Advocates ("DisabRA") (together, "Joint Respondents") submit this Response in support of the February 19, 2008 motion filed by The Utility Reform Network ("TURN") entitled *Motion of The Utility Reform Network to Implement a Process to Elicit Public Input on Possible Changes in Basic Service as a Result of Reverse Auctions in High Cost Areas* ("Motion"). The Joint Respondents support TURN's Motion that the Commission seek input from California customers who may be affected by changes to the existing elements of basic service as a result of the reverse auction process ordered in Decision ("D.") 07-09-020.

II. DISCUSSION

Joint Respondents agree with TURN that reconsideration of the definition of "basic telephone service" in the context of developing a reverse auction process, and thus adoption of a revised definition of basic service, is an issue of concern to all California consumers. Joint Respondents therefore support TURN's proposal to give particular attention to informing, and obtaining feedback from, a broad cross-section of California consumers, particularly those who are geographically remote and those with different needs.

A. It Is Critical That The Commission Obtain Meaningful Public Input Prior To Adopting Reverse Auction Policies

Having set in motion significant reform of the California High Cost Fund B (“B Fund”) in D.07-09-020, the Commission should now take the opportunity to reach out to the broader public to address the issues now under consideration in this proceeding that are vital to peoples’ everyday lives – issues like phone service availability, quality, and choice. With the title of “Review of the California High Cost Fund B Program,” and a description that often includes phrases like “support of universal service goals,” “high-cost fund areas,” and “mid-to-large sized incumbents” – terminology that is accurate but with meanings that are not self-evident – it is an understatement to say that this proceeding is not accessible to the general public.

The Commission and the parties are now undertaking, however, reconsideration of a fundamental building block of telephony regulation: basic residential service. It is imperative that the Commission ensure a meaningful opportunity for customers to communicate their needs before the Commission adopts policies relating to the myriad services and functions that currently comprise basic service. As TURN notes, the focus of developing a reverse auction process for the B Fund is to design an effective and appropriate mechanism for ensuring *the continued availability of affordable, high-quality basic phone service throughout all of California* – not to modify the definition of basic service in order to enable the implementation of a reverse auction.¹

While this proceeding is intended to address “only” those populations in high-cost areas, those populations are in fact likely to have fewer consumer choices in communications, and thus should merit more Commission oversight. Additionally, the Commission’s reconsideration of the obligations of the “carrier of last resort” is particularly important in these areas, as compared to low-cost, urban areas where consumers are less likely to be limited to the services of the carrier of last resort.

¹ TURN Motion at 4.

Accordingly, a special effort should now be made to enlist the input of the diverse populations of Californians that may be affected by such reconsideration.

B. The Commission Should Institute a Public Process Targeted Towards Hard-To-Reach Consumers

Joint Respondents understand that the Commission's goal is to implement reverse auctions in California as soon as possible. Nevertheless, we anticipate that a targeted public participation process is vital for a successful auction process that does not compromise basic service affordability, reliability, or quality. Joint Respondents agree with TURN that the Commission's standard method of hosting public participation hearings in major parts of California is insufficient. As TURN shows in the map attached to its Motion, the high-cost areas that will be affected by a modified definition of basic service have very low density.² Thus, TURN points out, hosting public participation hearings in towns that are the sizes of Barstow, Eureka, and Volcano, for example, would only be effective on a limited scale because the most relevant populations are in outlying areas. Joint Respondents therefore support TURN's proposal to hold a workshop to collaborate on viable ways to facilitate participation by consumers in those outlying areas that will be most impacted by the reverse auction process under development.

C. A Targeted Public Outreach Process Can Ensure Consideration of The "Basic" Phone Service Needs of California's Diverse Population, Such as Disabled Consumers

In addition to facilitating the participation of geographically remote consumers, Joint Respondents support TURN's Motion because it can facilitate participation by a more diverse population such as the communities represented by DisabRA. In other Commission proceedings, DisabRA has discussed how different features and functionalities of telephony are necessary for communication by different populations of

² TURN's analysis of 1990 census block groups ("CBGs") and 2005 population estimates shows that the "median population density in representative high-cost CBGs is 27 persons per square mile, compared to a median population density for all California CBGs of 7,041 persons per square mile" (footnote omitted). TURN Motion at 10.

disabled consumers.³ In redefining basic service, the Commission should therefore take into account that certain features and functionalities may be essential to allow functionally equivalent communication by people with disabilities.

TURN proposes a process that would enable the Commission to identify systematically specific populations that may have an interest in the potential redefinition of basic service, such as disabled consumers, and ensure that those populations have the opportunity to provide relevant input. While the issues in this proceeding have shifted from “should de-averaged UNE-P-based costs be used to recalculate support” to “what are the essential phone services that should be considered ‘basic,’” some populations may still not be aware of their stake in this phase of this proceeding. Others may not feel that the Commission’s formal processes are accessible to them as potential participants. Joint Respondents are particularly concerned about those populations that may not, do not, or can not participate and yet will be affected by any Commission action; as representatives of under-represented groups Joint Respondents support TURN's Motion.

Joint Respondents therefore urge the Commission to grant TURN’s motion. The benefit of obtaining vital input on what residential customers consider essential, particularly customers in diverse communities not currently represented in this proceeding, far outweighs the burden of some delay in this proceeding.

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³ See, e.g., Opening Comments of Disability Rights, in R.06-05-028 (July 28, 2006) at 11-13. For example, “some people with speech disabilities may require access to three-way calling to allow a person familiar with their speech to assist them on calls,” while “[o]ther people, such as those with mobility disabilities, may require priority ringing to address the fact that it is difficult for them to reach the telephone.” *Id.* at 11. See also Opening Brief of Disability Rights Advocates, in R.05-04-005 (March 3, 2006) at 22.

III. CONCLUSION

For the reasons discussed above, DRA and DisabRA support TURN's motion that the Commission develop and implement an outreach plan to solicit input from a broad cross-section of California consumers most likely to be adversely affected by changes in the definition of basic telephone service.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of “**RESPONSE OF THE DIVISION OF RATEPYER ADVOCATES AND DISABILITY RIGHTS ADVOCATES ON THE UTILITY REFORM NETWORK’S MOTION FOR A PUBLIC INPUT PROCESS**” in **R.06-06-028** by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

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Executed on the 5th day of March, 2008 at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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